

**DATE:** 08/06/2003

**SUBJECT: GOLDEN SUNLIGHT MINE (GSM) AND MONTANA STATE COURT JUDGMENT**

**PURPOSE OF THE BRIEFING DOCUMENT:**

Golden Sunlight Mine, Inc. (GSM) mines and processes gold-bearing ore using facilities located on public and private lands near Whitehall, Montana. GSM has conducted mining and mineral processing activities under Operating Permit No. 00065 since 1975. When BLM and Montana Department of Environmental Quality (DEQ) issued a record of decision in 1998 for expansion of the Golden Sunlight Mine, the EIS analyzed a partial pit backfill alternative but it was dismissed after DEQ concluded, in part, that the alternative was not considered economically feasible. Environmental groups filed suit against DEQ claiming that the partial pit backfill alternative should have been selected as required by the Montana Metal Mine Reclamation Act. A 2002 Montana State court decision required that GSM submit a partial pit backfill plan. GSM submitted a Partial Pit Backfill Plan to the agencies in December 2002. Montana DEQ and BLM are working with a contractor to prepare a Supplemental Environmental Impact Statement (SEIS) to fully evaluate the environmental impacts and mitigation measures associated with partially backfilling the GSM pit.

Bonding is a related issue. The mine bonding requirement would increase dramatically if GSM were required to partially backfill into the mine pit. It is impossible to accurately calculate a bonding level without doing additional analysis.

**ISSUES:**

The Golden Sunlight Mine is a conventional truck and shovel open-pit mine. Approximately 10 million tons of rocks per year are excavated. Only 2.5 million tons of this total are ore, the remainder being waste rock. Approximately 300 million tons of wastes have been placed in waste rock dumps. The ore is milled using a vat cyanide process. Following processing, the mill stream is piped as a slurry to a lined tailings impoundment. An earlier impoundment did experience some leakage in the early 1980s. This was corrected through a series of pumpback wells. This impoundment is currently undergoing the early stages of reclamation.

Because the waste rock at GSM has high potential for "acid rock drainage," effective reclamation of these wastes is crucial. Extensive monitoring of several slopes reclaimed between 1990-1992 has helped the mine and agencies determine what reclamation practices have been most effective. Surface water management is another critical factor in reclamation success and is an important part of the reclamation plan. Long-term water treatment is an integral part of the mine plan. GSM has posted a total bond of over \$50 million to cover reclamation costs.

**MAIN DECISION OR MESSAGE:**

BLM and DEQ are preparing an SEIS to fully evaluate the impacts of the proposed Partial Pit Backfill Plan. The consequence of any delay in preparation of the SEIS likely would mean premature closure of the mine and loss of approximately 100 jobs.

**BUREAU PERSPECTIVE:**

Public interest in the mine is high. Golden Sunlight employs over 150 people and is an important source of revenue for Jefferson County. More than 200 people who support the mine attended an SEIS scoping meeting. In 2001 the mine produced 200,000 ounces of gold.

**CONTACT:** David R Williams 406 533-7655.

